



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

December 28, 2009

Mr. Steven Joncas
Common Ground Development Corporation
167 Dutton Street
Lowell, MA 01852

RE: Old High School, South Acton

Dear Mr. Joncas:

On behalf of Governor Deval L. Patrick and Lieutenant Governor Timothy P. Murray, I am pleased to inform you that funds in the amount of \$630,000 from the Commonwealth's Affordable Housing Trust Fund (AHTF) have been awarded to the Old High School project, subject to the conditions contained in this letter and subject to this project proceeding to loan closing in an expeditious manner. This award has been made based on the application for financing that was submitted to the AHTF and the representations that were made about this project in that application.

This conditional funding reservation is subject to the conditions listed on the attached sheet.

I congratulate you on receiving this award of Affordable Housing Trust Fund monies and on your commitment to creating housing opportunities for low-income individuals and families. I look forward to working with you to close this loan and to complete this project. If you have any questions regarding this commitment, please contact Lynn Shields at MassHousing. She can be reached at 617/854-1000.

Sincerely,

A handwritten signature in black ink that reads "Francena T. Brooks".

Francena T. Brooks
Undersecretary

Enclosures

cc: Please see the attached list for those receiving copies of this letter.

The following received a copy of the award letter.

Senator James B. Eldridge

Representative Jennifer E. Benson

Mr. Thomas Gleason, MassHousing

PROJECT NAME: Old High School

SPONSOR: Common Ground Development Corporation

CONDITIONS

A commitment of Affordable Housing Trust Funds in the amount of up to \$630,000 is made subject to satisfaction of the following conditions prior to closing of the AHTF Loan (unless noted otherwise):

1. The sponsor must close on the AHTF financing within one year of the date of this award or apply to the AHTF for an extension to the award. Inability to meet the one-year deadline may result in a reconsideration of this award.
2. The borrower will be responsible for payment of all costs of construction monitoring for the Affordable Housing Trust Fund.
3. The form of assistance to be provided to the project will be a deferred payment loan.
4. It is anticipated that the source of Affordable Housing Trust Funds provided to the project will be tax exempt bond funds and/or general revenue funds and/or MassHousing Funds (flexible) and/or MassHousing Funds (direct). **Taxable funds are subject to availability.**
5. The fiscal year source of funds will be **FY2011**. The funding will be subject to availability of funds in that fiscal year
6. Construction budget and contingency acceptable to MassHousing.
7. Developer fee must be within DHCD limits and acceptable to MassHousing.
8. Firm commitment of sources adequate to cover uses acceptable to MassHousing.
9. Identification of a general contractor acceptable to MassHousing if the general contractor is not identified at the time of application or if the general contractor is changed from that in the application.
10. The general contractor must be able to obtain a payment and performance bond or provide a letter of credit equal to 10% of the hard cost of the project.
11. The borrower of the AHT funds must be a single purpose, sole asset entity with the exception of projects sponsored by public housing authorities in which case the public housing authority sponsor may be the borrower
12. Sponsor shall be current with its obligations to the Commonwealth and its subdivisions.

13. Upon receipt by the borrower, disbursing agent or escrow agent, Trust funds must be deposited into non-interest bearing accounts (IOLTA accounts may not be used).
14. The final plans and specifications must meet or exceed the Energy Star/sustainable design to the extent pledged in the One Stop application on which the award is based.
15. Upon completion of the Development, any cost savings from the original budget for the Development, including 100 percent of the unused soft cost contingency line item, shall be paid pro rata to DHCD and AHTF as a prepayment of their respective Loan and/or Grant. At the option of MassHousing, in the case of Developments that consist in whole or in part of rental housing, the savings may be held as a capital reserve for the Development. As an incentive to the Developer, MassHousing may allow the Developer to keep up to 50 percent of the positive difference, if any, between the final Development sources set forth in Borrower's final cost certification as approved by MassHousing, and the total uses as set forth in Borrower's final cost certification as so approved.
16. The execution of an Affordable Housing Restriction satisfactory to MassHousing that shall provide that four 2-bedroom units and four 3-bedroom units shall be leased, rented or otherwise made available exclusively to persons or families whose annual income, at the time of initial occupancy of the unit, is less than or equal to thirty percent (30%) of the area median income based on family size pursuant to the so-called "Section 8 Program" under Section 8 of the U.S. Housing Act of 1937, or any successor program, and the regulations promulgated thereunder. In addition, four 1-bedroom units, seven 2-bedroom units and four 3-bedroom units shall each be leased, rented or otherwise made available exclusively to persons or families whose annual income, at the time of initial occupancy of the unit, is less than or equal to sixty percent (60%) of the area median income based on family size pursuant to the so-called "Section 8 Program" under Section 8 of the U.S. Housing Act of 1937, or any successor program, and the regulations promulgated thereunder. Such a restriction shall be in effect in perpetuity.